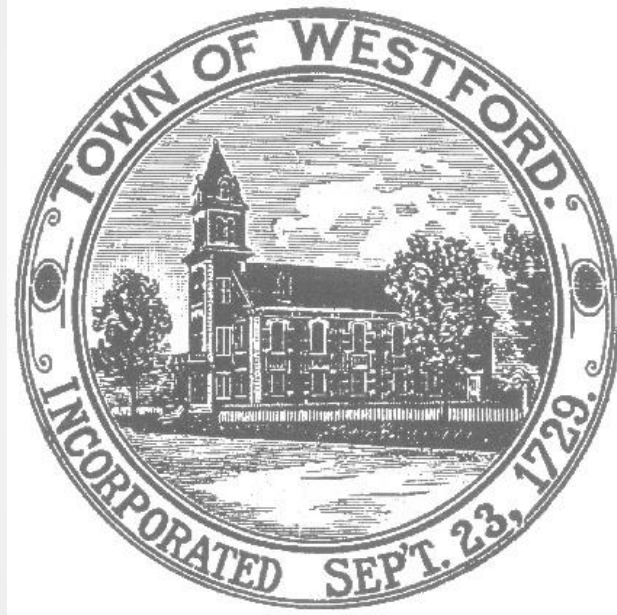


# Town of Westford



## Fiscal Year 2022 Message

Jodi Ross

Town Manager

February 9, 2021, Updated March 4, 2021 and April 9, 2021

# Town Charter requirements related to annual operating budget

- The financial management powers, duties and responsibilities of the town manager shall include but not be limited to the following:
- (a) to prepare and submit, after consultation with all town departments an annual operating budget and capital improvements program for all town departments;

# FY22 Town Budget Objectives

- Strived to adhere to Select Board [FY22 Budget Policy Direction](#)
- Maintained level services
- Sustained town assets through capital investment
- Shared mission statements / organizational charts
- Explained significant changes
- Offered transparency
- Budget documents available at [2021 Annual Town Meeting](#) on our Town's website [www.westfordma.gov](http://www.westfordma.gov)

# FY21 vs. FY22 Projected Revenue

Revenue	FY21	FY22	Variance
Tax Revenue	\$85,181,353	\$88,107,812	2,926,459
Local Revenue	7,956,260	7,773,861	(182,399)
State Aid	20,122,029	20,257,024*	134,995
Enterprise Revenue	8,024,580	8,082,560	57,980
Free Cash Applied to Budget	352,712	0	(352,712)
Other Available Funds**	2,753,266	1,236,744	(1,516,522)
Free Cash – Capital, Perchlorate, Snow & Ice	1,427,713	1,650,858	223,145
<b>Total</b>	<b>\$125,817,913</b>	<b>\$127,108,859</b>	<b>\$1,290,946</b>

\*FY22 Governor's Budget Includes \$137,580 increase in Chapter 70 under the Student Opportunity Act.

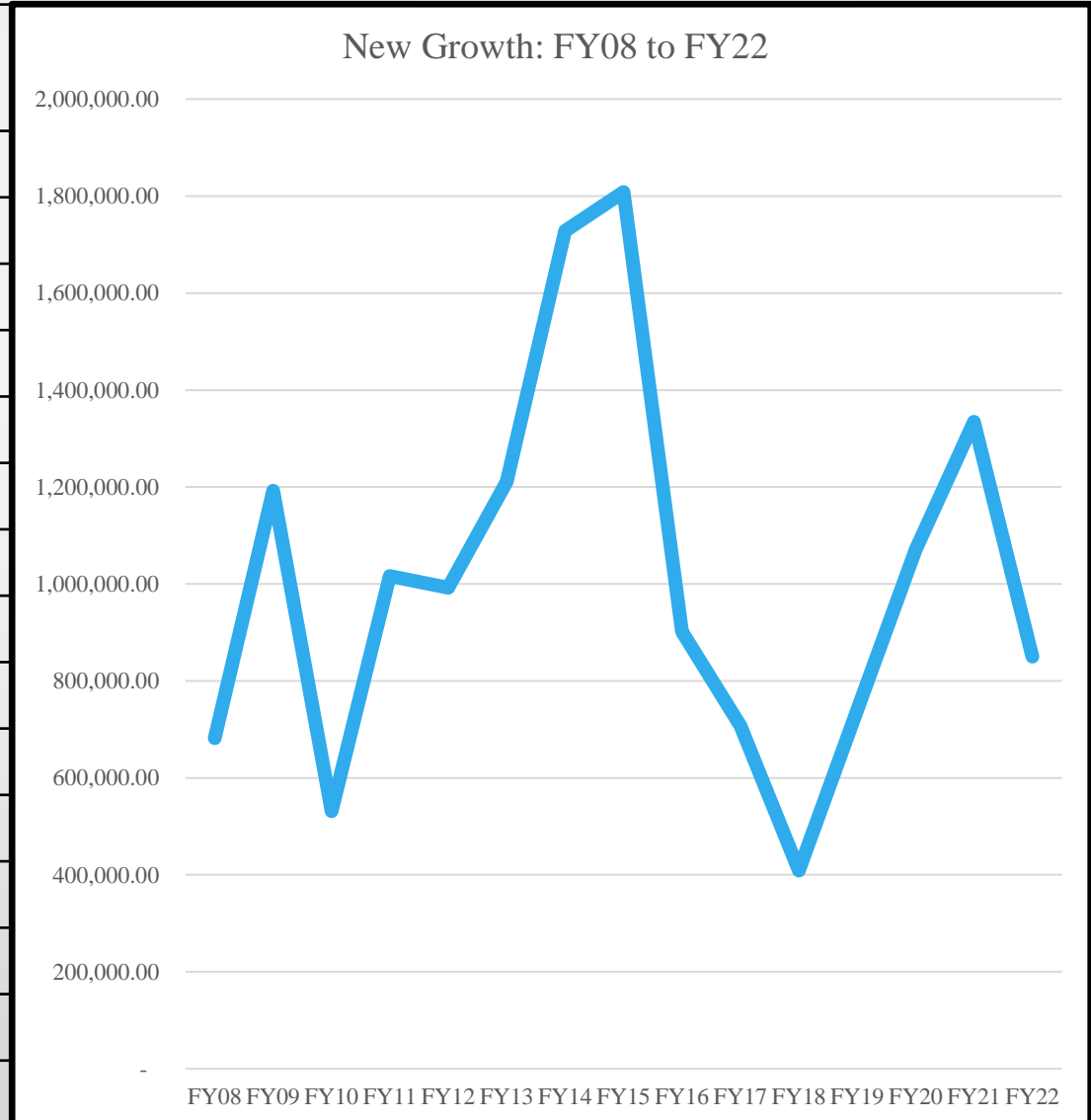
\*\*FY22 does not include Community Preservation recommendations

# FY20 - FY22 Local Revenue

Revenue	FY20 Act.	FY21 Bud.	FY22 Bud.
Motor Vehicle Excise	3,607,964	3,607,964	3,698,163
Local Options Excise	1,073,118	735,000	535,000
Penalties and Interest	250,100	230,000	235,750
Payments in Lieu of Taxes	89,526	66,625	68,291
Fees	297,142	297,000	297,000
Rentals	1,000	0	0
Departmental Revenue – Cemeteries	30,075	30,000	30,750
Licenses and Permits	1,000,146	950,000	900,000
Special Assessments	7,560	4,608	4,724
Fines and Forfeits	51,690	50,000	40,000
Investment Income	184,250	123,000	100,000
Medicaid Reimbursement	98,247	74,692	74,692
Miscellaneous Recurring Revenue	1,822,620	1,787,371	1,789,491
Miscellaneous Non-Recurring Revenue	142,317	0	0
<b>Total</b>	<b>8,655,755</b>	<b>7,956,260</b>	<b>7,773,861</b>

# New Growth Historical Data

Fiscal Year	New Growth
<b>FY22</b>	850,000
<b>FY21</b>	1,234,704
<b>FY20</b>	1,069,837
<b>FY19</b>	740,243
<b>FY18</b>	408,857
<b>FY17</b>	707,422
<b>FY16</b>	901,454
<b>FY15</b>	1,808,449
<b>FY14</b>	1,728,677
<b>FY13</b>	1,210,815
<b>FY12</b>	992,490
<b>FY11</b>	1,016,138
<b>FY10</b>	531,068
<b>FY09</b>	1,192,267
<b>FY08</b>	682,195



# February 2020 vs. February 2021 Reserves

Description	FY20 Amount	FY21 Amount	FY21 Balance
Free Cash Balance	\$3,519,456	\$2,617,597	
Stabilization Balance	\$5,425,916	\$5,072,461	
Total Reserves	\$8,945,372	\$7,690,058	
Beginning Balance	\$8,945,372	\$7,690,058	\$7,690,058
Less: Reserve Minimum Balance (5%)	(\$5,576,087)	(\$5,743,098)	\$1,946,960
Less: Capital Appropriation	(987,713)	(\$1,108,858)	\$838,102
Less: Snow & Ice Deficit	(110,460)	(\$400,000)	\$438,102
Less: Perchlorate Appropriation	(55,000)	(\$102,000)	\$336,102
Less: Appropriation to Capital Stabilization	0	(\$40,000)	\$296,102
Remaining Available Reserves	\$2,216,112	\$383,787	\$296,102 <sup>7</sup>

# Additional FY22 General Fund Revenue

New Revenue	FY22	Subtotal
Tax Revenue: Prop. 2 ½ Increase	\$2,055,215	
Tax Revenue: New Growth	850,000	
Tax Revenue: PY Excess Capacity	24,564	
Tax Revenue: Debt Exclusions	(3,320)	
Local Revenue	(182,399)	
State Aid	134,995	
Current Year Deficit	(352,712)	
<b>Total New G/F Revenue</b>		<b>\$2,526,343</b>



# Allocation of Additional FY22 General Fund Revenue

<b>Allocation of New Revenue</b>	<b>FY22</b>	<b>Subtotal</b>
Employee Benefits and General Insurance	634,958	
Net Debt Service	212,404	
NVTHS Assessment	106,253	
Other Amounts to be Raised	(180,291)	
Allowance for Abatements	72,174	
State Assessments	227,635	
Change in Premium Res'd for Debt Service	3,611	
Town Budget Reductions at 10/28/20 STM	173,000	
Subtotal		\$1,249,744
<b>Funds Remaining for Departmental Expenses</b>		<b>\$1,276,599</b>
Westford Public School Budget 78%	995,508	
Net Town Operating Budgets 22%	276,991	
Subtotal		\$1,272,499
<b>Net Remaining</b>		<b>\$4,100</b>

# FY22 Projected Expenditures

Description	Town	School	Other	Total
Westford Public Schools		62,236,867		62,236,867
Other Town Departments	24,441,914			24,441,914
Community Preservation			835,406	835,406
Debt Service	2,412,886	3,751,468		6,164,354
Enterprise	1,208,408		7,603,560	8,811,968
Unclassified	6,782,506	12,366,235		19,148,741
N.V.T.H.S.			1,184,421	1,184,421
Other Amounts to be Raised	966,536	768,058	2,546,494	4,281,088
<b>Total</b>	<b>35,812,250</b>	<b>79,122,628</b>	<b>12,169,881</b>	<b>127,104,759</b>
% of Budget	28.18%	62.25%	9.57%	100.00%

# FY22 Budget Highlights

- Allocating town departments additional \$276,991 or 1.10% increase
  - Reduced town department budget requests by \$315,145 or 1.24% due to limited financial resources
- Allocating schools additional \$995,508 or 1.63% increase
  - This includes the \$137,580 in Chapter 70 State Aid from the Student Opportunity Act from the January 2021 Governors' Budget
- \$159,430 remaining revenue available to allocate

# Collective Bargaining Agreements

## ■ **Town:**

- IAFF expiring in FY21
- CWA, WPA, WSO, OPEIU settled through FY22

## ■ **Schools:**

- Teachers, Coordinators, Nurses, and Reading and Math Interventionists, Central Office Support, School Admin. Assts., and Food Service Workers expiring in FY21
- Teaching Assistants, School Custodians, and Special Education Transportation staff settled through FY22

# FY22 Budget - Unclassified

- Unclassified (insurances/Medicare/retirement) increasing by 3.43%
  - Health Insurance increasing \$669,036 (+6.04%)
  - Middlesex Retirement increasing \$476,557 (+8.71%)
  - Other Post Employments Benefits (OPEBs) decreasing from FY21 level by \$538,000
    - Tied to meals and hotel excise tax collections
  - Unemployment Insurance increasing by \$45,000
  - General insurance and worker's comp increasing \$20,950
  - Medicare increasing by \$10,000

# FY22 Budget - Health Insurance

- In FY21 budgeted 8% increase – received 4.9% increase from BCBS
- Funding for retirees on Medicare plan decreased 6.5% on January 1, 2021
- FY22 budget projects an 8% premium increase on November 1, 2022 totaling \$11,740,958
- Health Insurance Stabilization Fund balance \$676,584

# Health Insurance Budget History

<b>Fiscal Year</b>	<b>Carrier</b>	<b>Budget</b>	<b>Actual</b>	<b>Non-Medicare Plan % Inc/(Dec)</b>	<b>Medicare Plan % Inc/(Dec)</b>
FY10	MIIA - BCBS	6,500,000	6,455,172	5.50%	0.00%
FY11	MIIA - BCBS	7,150,000	7,378,422	13.00%	-36.61%
FY12	Tufts	9,243,598	7,724,048	0.00%	38.74%
FY13	Tufts	9,438,000	8,166,078	12.67%	2.86%
FY14	BCBS	10,131,521	8,141,183	1.40%	-36.00%
FY15	BCBS	9,467,933	8,186,031	5.10%	4.10%
FY16	BCBS	9,293,000	8,605,922	7.83%	7.88%
FY17	Fallon	9,697,491	9,046,212	5.50%	10.00%
FY18	Fallon	10,384,523	9,439,110	2.74%	5.77%
FY19	BCBS	10,475,348	9,812,914	0.60%	0.00%
FY20	BCBS	10,785,240	10,337,840	7.90%	1.50%
FY21	BCBS*	11,071,922	6,879,082	4.90%	-6.50%
FY22	BCBS	11,740,958			

\*FY21 Actual as of February 28, 2021

# Health Insurance Subscriber History

<b>Fiscal Year</b>	<b>Subscribers</b>	<b>Town - Non Medicare Subscribers</b>	<b>Town - Medicare Subscribers</b>	<b>School - Non Medicare Subscribers</b>	<b>School - Medicare Subscribers</b>
FY10	912	176	42	553	141
FY11	961	179	47	578	157
FY12	964	214	51	528	171
FY13	1,001	193	63	537	208
FY14	1,016	191	65	517	243
FY15	1,003	187	57	495	264
FY16	1,032	192	67	475	298
FY17	1,033	188	67	459	319
FY18	1,091	185	73	487	346
FY19	1,124	186	77	495	366
FY20	1,133	190	79	475	389
FY21	1,164	189	78	476	421



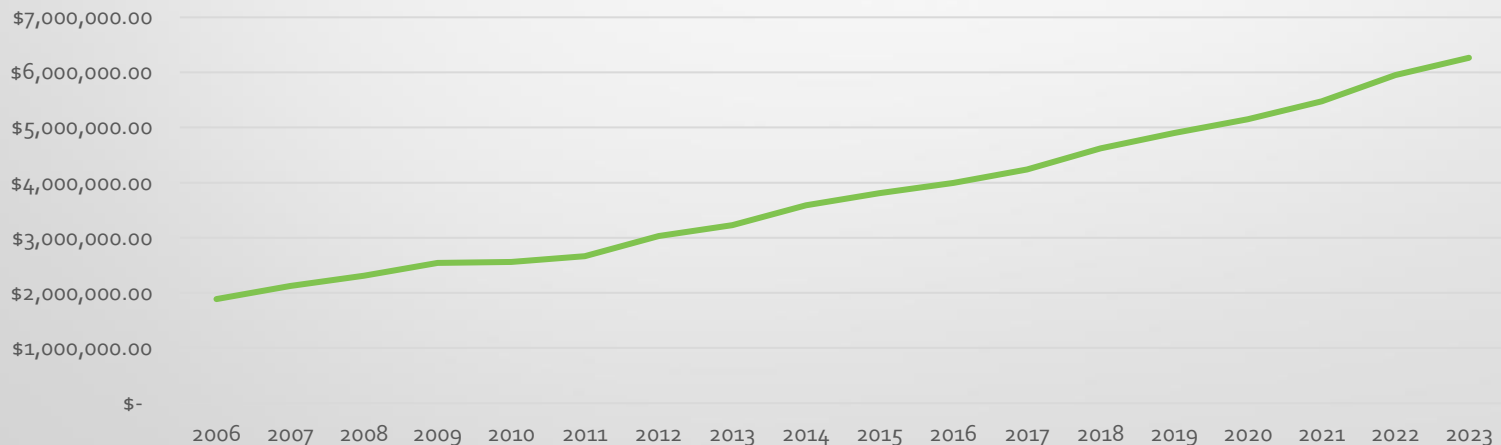
# Other Post Employment Benefits

- Our OPEB policy – annually fund “normal costs” – accrued liability for employees hired after Jan 1, 2012
- Current net liability is \$72.13M as of June 30, 2020 – new actuarial study to occur each year
- Funding OPEB at \$680,957 in the operating budget – decrease of \$538,000 from previous year - to correspond with temporary loss in hotel/meals excise taxes
- OPEB Trust Fund current balance \$8,503,984 – after FY22 appropriation balance will be \$9,184,941
- In FY20 \$2,395,962 paid for retiree health insurance through the health insurance budget

# Middlesex Retirement

- Middlesex Retirement assessment will continue to increase to meet requirement of fully funding by 2040. Target is currently 2037.
  - FY21 \$5,473,719 +6.23%
  - FY22 \$5,950,276 +8.71%
  - FY23 \$6,263,082 +5.26%

**Middlesex Retirement Assessment: FY06 to FY23**



Will save \$105,740 by paying assessment on July 1, 2021

# Public Safety Needs

- Select Board formed Police and Fire Public Safety Staffing Group in FY18
  - Recommended additional 5 Police Officers & 8 Firefighter/Paramedics
  - 4 Police Officers & 5 Firefighter/Paramedics have been hired
  - Not able to fund remaining additional officers – still need 1 Police officer & 3 Firefighter/Paramedics
- Reduction of one Police cruiser from requested amount – **Select Board voted to support funding additional \$17,750 to purchase hybrid cruisers**
- Funded Police and Fire requested overtime amounts
- Additional Fire Overtime shifts have been funded through FEMA/CARES Act to fully staff each shift during the pandemic - 100% reimbursable
- Additional 911 dispatcher not requested due to our fiscal situation, but the position will be requested again next year

# FY22 Budget - Other Departments

- Reduced funding for meetings/conferences town-wide (\$25,897)
- Reduced Town Manager's admin asst hours / eliminated management training /reduction in meetings and conferences (\$22,629)
- Reduced Tax Collector Senior Asst (at STM) (\$15,354)
- Combined Technology help desk coordinator and Town Clerk Records Supervisor to 1 Office Manager (at STM) (\$61,738)
- Reduced part time Zoning Enforcement Inspector (\$31,068)
- Reduced Animal Control budget (\$7,810)
- Moved GIS Coordinator from Technology to Engineering
- Street Lights budget reduced (\$54,500)
- Could not fund request from Board of Health to increase Nurse by 7.5 hours – will be paid for through CARES Act through 12/31/21. (\$16,713)

# FY22 Budget - Other Departments

- NVTHS Assessment increasing by \$106,253 - Additional enrollment of seven students
- Solid Waste budget increased by \$168,734 due disposal fees increasing from \$74.48 to \$90.00 per ton and increase in tonnage as more residents working remotely
- Recreation Enterprise - not applying \$75,000 in retained earnings due to lost revenue and depleted retained earnings
- Ambulance Enterprise - not applying \$50,000 in retained earnings due to purchase of an ambulance and reduced revenue
- State Assessments increased by \$227,635 (School choice and charter school sending tuition)

# FY22 Budget - Other Departments

- Street sweeper originally on Stormwater Enterprise capital plan
  - Street sweeper broke down in May 2020 and General Fund purchased for \$207,812
  - Reducing Stormwater Enterprise deficit in FY22 from \$600,000 to \$392,188 to reimburse the general fund
- Recreation Enterprise is currently not operating after school program
  - Department of Revenue bases estimated revenue on previous fiscal year unless we prove program is generating revenue in the current year
  - Will need to revisit at October STM to see how Westford Partnership for Children (WPC) is tracking
  - Adjustments or one time supplemental to budget most likely necessary

# Savings and Efficiencies Generated through New Department of Public Works

- Eliminated the Public Works Office Manager and Engineering Inspector positions following retirements – distributed workload among existing administrative positions
- Consolidated purchasing, payroll, and accounts payable for the Highway, Engineering, GIS, Stormwater, and Public Works Departments under one position
- Procured new contracts for street sweeping and catch basin cleaning to meet MS4 Permit requirements
- Deferred \$500k in Capital vehicle replacements by planning to rehabilitate existing vehicles to extend their useful life
- The FY22 Pavement Management Plan will be fully funded using Chapter 90 and asphalt mitigation from the Newport Settlement Agreement
- Moved GIS Department oversight from the Technology Department to the Department of Public Works
- Completed the migration from MUNIS UB Classic to UBCIS in support of stormwater billing by the Water Department

# Federal Funding – COVID-19 Pandemic

<b>Grant Name</b>	<b>Amount</b>	<b>Spending Date</b>
CARES Act	\$2,142,123	12/30/21
FEMA	75% of Eligible Expenses, 100% of Vaccination Clinics	TBD
First Round School Cares Act (ESSER1)	\$20,000	
School Coronavirus Relief Act (CvRF)	\$1,057,725	6/30/21
Second Round School Cares Act (ESSER2)	\$271,511	9/30/23
FY21 State Coronavirus Prevention Fund Distribution	\$141,200	TBD



# FY22 Capital Investment

## **Preliminary Capital Planning Committee Recommendation:**

Free Cash	\$1,148,858
General Fund Bonds	\$920,423
Enterprise Bonds	\$500,000
Enterprise Revenue/Retained Earnings	\$479,000
Other Available Funds	\$157,000
<b>Total</b>	<b>\$3,329,017</b>

*\*Capital Stabilization current balance: \$459,940 with \$40,000 from Cornerstone mitigation agreement to bring balance to \$499,940. \$230,000 from sale of 63 Main St may also be transferred to Capital Stabilization by Town Meeting vote.*

# Public Works Projects

- Dunstable Rd and Groton Rd intersection substantially completed in 2020
  - \$2,700,000 MassDOT funding
- Beaver Brook Bridge project at 25% design phase
  - \$75,000 funded at Oct. 2020 STM, \$2,000,000 MassDOT funding
- Completed 25% design public hearing for Boston Rd Reconstruction
  - Construction anticipated in FY24, \$10,200,000 in MassDOT funding
- Moore Rd, Oak Hill Rd, and Plain Rd project at 25% design stage
  - Town authorized bonds of \$8,160,000
  - Project is out to bid and construction anticipated to begin in April 2021

# Public Works Projects

- Carlisle Road Sidewalk in final stages of design
  - Town issued \$440,000 bond, construction anticipated to begin in fall 2021
- Nutting Road Filter Media Replacement Project to begin February 2021
  - Contract awarded to Waterline Industries in January 2021
- Town Farm Water Storage Tank Rehabilitation design is complete and out to bid
  - Authorized bonds of \$2,350,000 from water enterprise for June 2021 construction

# Public Works Projects

- WA Wastewater Tank Rehabilitation Design funded at October 2020 STM
  - \$170,000 to be requested at June 2021 ATM for construction
- DPW completed paving of 7.3 miles of road in 2020
  - Used Chapter 90 funds, MassDOT Transportation Improvement Program funds, Water Enterprise funds, and Newport Materials asphalt mitigation funds
  - Plans to fund the FY22 Pavement Management Program through the annual Chapter 90 allocation and Newport Materials asphalt settlement agreement

# New Center Building

- Appropriated \$60,000 for feasibility study in 2017
- Appropriated \$320,000 for design in 2018
- \$8,308,000 estimated cost for construction of new town center building, including demolition of old fire station and site clean up
- Includes new 100 person meeting/police training room, and Technology, Facilities and Veteran's Agent offices
- Project on hold per Select Board pending future discussions



# Disposition of Town Properties

## 63 Main Street


- Town Meeting directed Select Board to sell as single-family home with an historic preservation restriction
- Septic design underway to confirm required footprint size
- Zoning relief to be required by the Planning Board
- Portion of land in the rear being reserved for future town parking, if needed





# Disposition of Town Properties

## 35 Town Farm Road

- RFP issued for the disposition of the property, which yielded one response
  - Select Board awarded solicitation process to sole respondent (SCG Development and CHOICE, Inc, with Icon Architecture, Inc., ) and authorized Town Manager's Office to negotiate P&S agreement
- 
- Property to be redeveloped into senior affordable housing and a new home for the Westford Food Pantry
  - New Fire Training Facility to be constructed at 60 Forge Village Rd

# Disposition of Town Properties

## 12 North Main Street

- Task force issued fourth RFP in Nov 2020, which yielded one response from Urban Design and Development Corp.
- Select Board awarded solicitation process to respondent and authorized Town Manager's Office to negotiate P&S agreement
- Proposal to develop into 60 residential rental housing units
- Nearing completion of Phase II limited environmental site assessment





# Budget Variables

- COVID-19 Pandemic
- State aid
- New growth
- Solid waste and recycling
- Infrastructure/facilities
- New Center building
- 35 Town Farm Road
- 63 Main Street
- 12 North Main Street
- Public Safety needs
- Collective bargaining
- Health insurance
- Hotel/Meals Excise
- Energy costs
- Snow and ice deficit
- New exemptions (SLIDTR)

# Thank you

- We welcome your input and suggestions
- We are committed to examine each and every opportunity
- We strive to continue to provide high quality services for our residents
- Please stay safe everyone!

